

## IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

### Notice of Intended Action

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code sections 97B.4 and 97B.15, the Iowa Public Employees' Retirement System (IPERS) hereby gives Notice of Intended Action to amend Chapter 1, “Organization,” Chapter 2, “Investment Board,” Chapter 3, “Benefits Advisory Committee,” Chapter 4, “Employers,” Chapter 5, “Employees,” Chapter 6, “Covered Wages,” Chapter 10, “Interest on Accumulated Contributions,” Chapter 11, “Application for, Modification of, and Termination of Benefits,” Chapter 12, “Calculation of Monthly Retirement Benefits,” Chapter 14, “Death Benefits and Beneficiaries,” Chapter 19, “Declaratory Orders,” Chapter 20, “Recognition of Agents,” Chapter 31, “Agency Procedure for Rule Making,” and Chapter 33, “Uniform Rules for Waivers,” Iowa Administrative Code.

IPERS proposes the following amendments: to conform rules with other rules and statutes or rescind rules that are outdated, redundant or inconsistent, or no longer in effect to meet the requirements of the statutorily required five-year review of rules (Chapters 3 and 31 reflect the most substantive changes with this review, to better conform with the controlling statutes and IPERS' practice and procedures); to implement contribution rates for regular and special service members beginning July 1, 2017; to add, pursuant to legislation in 2016, two new protection occupations to the list in the rule defining such occupations; to clarify student coverage and noncoverage and that student loan repayments are not IPERS-covered wages; to amend a rule regarding spousal signature so that a member may submit updated beneficiary designations electronically, absent written signature if the member's spouse is the sole primary beneficiary; to clarify the rules regarding revocation of representative agents; to clarify proof-of-birth documentation that is needed at the time a member applies for retirement benefits; and to clarify what members are required to file with IPERS when they are past 70.5 years of age and have already begun receiving benefits while still employed and are now retiring.

These amendments were prepared after consultation with IPERS' staff, IPERS' tax counsel and the Benefits Advisory Committee.

Any interested person may make written suggestions or comments on the proposed amendments on or before February 7, 2017. Such written suggestions or comments should be directed to the IPERS Administrative Rules Coordinator at IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117. Persons who wish to present their comments orally may contact the IPERS Administrative Rules Coordinator at (515)281-7623. Comments may also be submitted by fax to (515)281-0045 or by e-mail to [adminrule@ipers.org](mailto:adminrule@ipers.org).

A public hearing will be held on February 7, 2017, at 9 a.m. at IPERS, 7401 Register Drive, Des Moines, Iowa. Persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject matter of the amendments.

There are no waiver provisions included in the proposed amendments.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code chapter 97B.

The following amendments are proposed.

ITEM 1. Amend rule 495—1.1(97B) as follows:

**495—1.1(97B) Organization.** The agency shall administer the retirement system created by Iowa Code chapter 97B. Specific powers and duties of the agency, CEO, board, committee, and agency staff are set forth in Iowa Code chapter 97B and these administrative rules.

Operational units within the agency shall develop and administer policies and procedures governing retirement system programs, including accounting functions for the collection of funds from employers and employee members; disbursement of retirement benefits, death benefits, lump sum payments, and disability retirement benefits; training to employers and subsequent review of employer records for compliance with Iowa Code chapter 97B, rules and policies; ~~legal counsel to IPERS staff and members regarding eligibility for disbursement of benefits and other legal matters;~~ preparation and release of informational newsletters and the annual report; and investment of funds contributed to the retirement system by employers and employee members. The retirement system is also the state administrator to the federal Social Security Administration.

ITEM 2. Amend rule **495—1.2(97B)**, definitions of “Agency” and “System,” as follows:

“Agency” means the ~~Iowa Public Employees’ Retirement System~~ public employees’ retirement system (IPERS) created as an independent agency within the executive branch of state government to administer Iowa Code chapter 97B.

“System” means the ~~retirement plan~~ Iowa public employees’ retirement system created pursuant to Iowa Code chapter 97B.

ITEM 3. Amend rule 495—2.1(97B) as follows:

**495—2.1(97B) Investment board.** The principal place of business of the board is IPERS’ headquarters, 7401 Register Drive, Des Moines, Iowa.

1. No change.

2. At the first meeting in each fiscal year, the voting members shall elect a chair and vice chair. Future meeting dates for the year shall also be decided at the first meeting. Advance notice of time, date, tentative agenda, and place of each meeting shall be given in compliance with Iowa Code chapter 21. All meetings of the board are open to the public and shall be held in accordance with Robert’s Rules of Order, Newly Revised Edition.

3. to 8. No change.

ITEM 4. Amend rule 495—3.1(97B) as follows:

**495—3.1(97B) Benefits advisory committee.**

**3.1(1) Scope.** These rules shall govern the conduct of business by the ~~IPERS’~~ IPERS benefits advisory committee (BAC) pursuant to Iowa Code section 97B.8B.

**3.1(2) Purpose.** The BAC shall be an advisory committee that serves as a channel for employers and employees to help formulate policies and recommendations regarding the provision of benefits and services to members of the system.

**3.1(3) Governmental body.** The BAC is a governmental body as defined by Iowa Code section 21.2(1).

ITEM 5. Amend rule 495—3.2(97B) as follows:

**495—3.2(97B) Membership organizations and representatives.**

**3.2(1)** The BAC membership ~~organizations~~ shall number no less than 9 and no more than 14, and the composition of the BAC must at all times meet the specific membership and voting requirements of Iowa Code section 97B.8B. A current list of organizations, appointees, terms and voting status is maintained on IPERS’ Web Internet site ~~and may be obtained in writing upon request.~~

**3.2(2)** Appointment of BAC representatives. Each membership organization shall appoint a representative to serve on the BAC. ~~The citizen representative shall be elected by the eight voting representatives who serve under subrules 3.4(1) and 3.4(2).~~ All BAC representatives shall provide in

writing to IPERS or the chairperson the name, address, and telephone number of and other information about the representative as required by IPERS or the chairperson. The BAC shall not entertain petitions disputing a membership organization's choice of its representative. In addition, a citizen representative who is not a member of IPERS will also serve, pursuant to subrule 3.3(3).

**3.2(3) Attendance.** Any representative shall be deemed to have submitted a resignation from participation in the BAC if either of the following events occurs:

- a. The representative does not attend three or more consecutive regularly scheduled meetings.
- b. The representative attends fewer than one-half of the regularly scheduled meetings of the BAC each fiscal year.

This provision applies only to a period beginning on or after the date when the person assumes the position of representative. In the event that a representative is deemed to have resigned under this provision, the chairperson shall immediately notify the representative's organization and require the appointment of a different representative within 30 days.

If a representative is unable to attend a meeting, an alternate designated by the membership organization may attend the meeting, ~~but shall not be able to cast a vote~~. Attendance by an alternate shall not relieve the regular representative of the responsibility of attendance at regularly scheduled meetings.

**3.2(4) Replacement of membership organizations due to nonparticipation.** If a membership organization, after receiving written notice from the BAC under subrule 3.2(3), fails to appoint a new representative to serve on the BAC, the chairperson shall send a second written notice to that membership organization again requiring that the organization appoint its representative within the next 30 days. The notice shall further state that, in order for the appointment to become effective, the newly appointed representative must also attend the next regularly scheduled BAC meeting. The attendance of an alternative representative at said meeting shall not fulfill the requirements of this subrule.

If the organization does not timely appoint a new representative, or its newly appointed representative does not attend the next regularly scheduled BAC meeting, the organization shall be deemed to have relinquished its seat on the BAC.

When a membership organization has relinquished its seat on the BAC for nonparticipation, the subcommittee on membership shall, as soon as practicable, meet to consider a replacement organization. If a seat relinquished for nonparticipation was not filled and the subcommittee on membership determines that the composition of the BAC would continue to satisfy subrule 3.2(1), the subcommittee on membership may recommend any type of qualified interested organization as a replacement, or it may recommend leaving the seat open. However, if the subcommittee determines that the composition of the BAC would not satisfy subrule 3.2(1) if a seat relinquished for nonparticipation was not filled, the subcommittee must recommend a replacement, and the replacement must be one that permits the BAC to meet the requirements of subrule 3.2(1).

Any qualified, interested organization may file a petition for consideration as a replacement membership organization. The subcommittee shall review all such petitions, if any, which have been filed after the most recent formal review under this rule. The subcommittee may also solicit petitions for BAC membership from any qualified interested organization.

The subcommittee shall make its recommendation for a replacement membership organization, if any, at the next regularly scheduled BAC meeting or as soon as practicable. The BAC, by a majority vote of the nine voting membership representatives, shall approve or reject the subcommittee's recommendation.

If the subcommittee's recommendation is rejected and the seat must be filled, the subcommittee shall reconvene as soon as practicable and the foregoing process shall be repeated until such time as the subcommittee's recommendation is approved.

In order to be considered for BAC membership under this rule, an organization must be a "qualified, interested organization." "Qualified, interested organization" means a unit of the executive branch or a formally organized corporation or association representing a viable and identifiable group of covered employers or covered employees as determined by the BAC in its sole discretion.

This subrule shall not be construed to affect the BAC positions reserved for the director of the department of administrative services or the position reserved for a citizen ~~who has pension benefits experience and~~ who is not a member of IPERS.

**3.2(5)** Replacement of current membership organizations other than through nonparticipation. A qualified, interested organization that wishes to replace an existing membership organization may petition the BAC to do so. Such petitions for BAC membership must be submitted in writing to the BAC as set forth in this rule and will be considered according to the schedule established below.

An organization petitioning for membership on the BAC must include the official name of the organization, a description of its organizational structure, the number of employers or employees represented, a description of prior activities by that organization regarding IPERS issues, and a brief explanation of the reasons why the organization should be selected as a replacement organization. The petition should also include the name and contact information for the organization's proposed representative and the name and contact information of the person completing the petition.

~~As soon as practicable after May 31, 2006, the subcommittee will conduct a formal review of all petitions under this rule that have been received during the preceding three years. For this first formal review, the contents of such petitions shall not be required to meet the specific requirements set forth below, but must be sufficiently detailed or supplemented to permit a reasoned analysis and decision.~~

~~After the first formal review, a~~ A formal review of petitions under this rule shall be conducted every three years. IPERS shall provide 60 days' prior written notice of the next formal review session to members who have indicated in writing that they wish to file such a petition. IPERS will provide 60 days' prior written notice of the next formal review to all other potential petitioners through its Web Internet site.

The subcommittee chosen to make recommendations regarding the replacement of a current membership organization shall not include the individual representing that organization on the BAC. However, any membership organization whose seat is being contested under this rule shall have the opportunity to submit written materials and make oral presentations to the subcommittee in support of its continued existence as a BAC membership organization.

For each formal review, the subcommittee on membership shall review all petitions for membership, if any, that have been filed after the most recent formal review under this rule. The subcommittee may also solicit petitions for BAC membership from any qualified, interested organization.

When one or more qualified, interested organizations have filed a petition to replace a current membership organization, the subcommittee on membership shall meet at least 30 days prior to the next formal review session to determine whether to recommend approval or rejection.

If the subcommittee on membership determines that the composition of the BAC would continue to satisfy subrule 3.2(1) regardless of the type of qualified, interested organization recommended, the subcommittee on membership may recommend any type of qualified, interested organization for a seat being sought under this rule.

However, if the subcommittee on membership determines that the composition of the BAC will only continue to satisfy subrule 3.2(1) if a current membership organization's seat is filled by a certain specific type of organization, the subcommittee on membership must limit its recommendations for approval to the types of organizations that would permit the composition of the BAC to continue to satisfy subrule 3.2(1).

The subcommittee shall present its recommendation regarding the replacement of a current membership organization at the next regularly scheduled formal review of petitions under this rule. The BAC, by a majority vote of the nine voting ~~membership~~ representatives, shall approve or reject the subcommittee's recommendation.

If the subcommittee determines that two qualified, interested organizations are competing for the same seat, the subcommittee shall, in its sole discretion, evaluate the competing organizations and make a recommendation that meets the requirements of this rule and takes into consideration the following factors: the number of employers or employees represented, the diversity of the representation, the degree to which the applicable constituents already have BAC representation through other BAC

membership organizations, prior involvement in BAC activities, and prior activities as an IPERS advocate in other forums.

If the BAC votes to replace a current membership organization that holds a voting seat with a new membership organization, the replacement membership organization shall complete the remainder of the term for that voting seat. Otherwise, the new membership organization shall be seated as a nonvoting organization. Thereafter, if a vacancy occurs in a voting seat and the new membership organization is qualified to fill that voting seat, the new membership organization may compete for the vacant voting seat.

An organization that petitions for a seat under this rule and after a formal review is not selected must resubmit its petition for membership in order to receive consideration for a seat during the next scheduled formal review.

This subrule shall not be construed to affect the BAC position reserved for the director of the department of administrative services or the position reserved for a citizen ~~who has pension benefits experience and~~ who is not a member of IPERS.

ITEM 6. Renumber rules ~~495—3.4(97B)~~, ~~495—3.6(97B)~~ and ~~495—3.7(97B)~~ as ~~495—3.3(97B)~~, ~~495—3.4(97B)~~ and ~~495—3.5(97B)~~, respectively.

ITEM 7. Amend renumbered rule 495—3.3(97B) as follows:

**495—3.3(97B) Voting representatives.** The BAC shall have nine voting representatives. Four shall represent employers, four shall represent ~~active and retired~~ members of the system, and one shall be a citizen ~~who has pension benefits experience and~~ who is not a member of IPERS.

**3.3(1) Employer voting representatives.** One voting representative shall be the director of the department of administrative services. The remaining employer voting representatives shall be elected by the full membership of the BAC as follows: one shall be a representative of an employer group representing cities, one shall be a representative of an employer group representing counties, and one shall be a representative of an employer group representing local school districts.

**3.3(2) Employee voting representatives.** One voting representative shall be elected by the full membership of the BAC from ~~the a membership organizations organization that represent represents~~ teachers. The other three voting representatives of ~~active and retired members who represent members of the system~~ shall be elected by the remaining full membership of the BAC ~~representatives not automatically selected by virtue of legally mandated seats or designated as voting members by the full membership of the BAC under subrule 3.4(1) or this subrule. No, with no more than one of these voting members shall be being~~ the representative of an employee group that solely represents the public safety protection classes.

**3.3(3)** The citizen representative shall be elected by the eight voting representatives who serve under subrules 3.3(1) and 3.3(2).

~~3.3(3)~~ **3.3(4) Voting rights.** ~~No~~ A membership organization shall be permitted to designate a substitute voting representative to cast the vote of ~~a the~~ membership organization at a meeting in the event that the named representative cannot attend the meeting. No membership organization shall have more than one vote on a matter brought before the BAC.

~~3.3(4)~~ **3.3(5) Terms of voting representatives.** The term of each voting representative shall be three years, beginning and ending as provided in Iowa Code section 97B.8B, except as otherwise indicated in this subrule.

The terms of the voting representatives shall be staggered, so as to maintain an acceptable level of continuity and experience on the BAC. ~~Accordingly, the terms of voting representatives chosen to begin July 1, 2002, shall be set as follows: The voting representatives shall draw lots to determine the length of their terms of office. Two shall serve for one year, three shall serve for two years, and two shall serve for three years. This formula recognizes that two voting representatives, the director of the department of administrative services and the citizen representative, are required by law to be voting members. The citizen representative shall serve for three years. At the expiration of the one-, two- or three-year term, the voting representative elected to fill that position shall serve for a three-year term.~~

If a voting representative resigns or is replaced by the appointing organization, the appointing organization shall appoint a successor who shall be a voting member for the remainder of the term in question.

If an organization that is not currently a membership organization successfully petitions to replace a membership organization that is represented by a voting representative, the representative of the replacement membership organization shall complete the remainder of the term of the voting representative in question.

**~~3.3(5)~~ 3.3(6) *Quorum, and voting requirements and voting procedures.*** A majority of the

*a. Quorum.* Five voting representatives of the BAC ~~constitutes~~ constitute a quorum.

~~*b. Voting requirements.* A quorum of the BAC must be present, whether the representatives are attending in person or remotely, at the time any vote is taken. In order for a motion to pass or for the BAC to conduct business, a majority of the full voting membership must vote in favor of the motion or other business matter.~~

~~*b. c. Voting procedures.* The chairperson shall rule as to whether the vote will be by voice or roll call. A roll-call vote shall be taken anytime a voice vote is not unanimous. Minutes of the BAC shall indicate the vote of each voting member if a roll-call vote is taken.~~

**~~3.3(6)~~ 3.3(7) *Officers and election elections.***

*a. Officers.* The officers of the BAC are the chairperson and vice chairperson and shall be elected by a vote of the full membership of the BAC.

*b. Elections.* Election of officers shall take place at the first BAC meeting held ~~on or after July 1, 2002,~~ and at the beginning of each fiscal year thereafter. If an officer does not serve out the elected term, a special election shall be held at the first meeting after notice is provided to the BAC to elect a representative to serve out the remainder of the term.

ITEM 8. Amend renumbered rule 495—3.4(97B) as follows:

**495—3.4(97B) Duties.** The BAC shall review and advise on the following matters insofar as they impact benefits and services provided to members and member employers under Iowa Code chapter 97B: overall plan design, benefits policy and goals, budget, benchmarking and quality assessment efforts, research and strategic planning. ~~Through its voting representatives, the BAC shall make recommendations to the system, the governor and the general assembly about programs, benefits and services.~~ The BAC shall also participate in annual performance evaluations of the chief benefits officer and, when that position becomes vacant, assist the chief executive officer in the process of ~~defining and~~ selecting a replacement. In addition, the BAC shall recommend to the governor at least two nominees for each vacant position on the investment board reserved for active or retired members of the system. The chairperson of the BAC shall solicit nominations for such vacancies from the entire BAC membership and, through a meeting of the BAC, select the names to be forwarded to the governor.

At least every two years, the BAC shall review the benefits and services provided to members; and the voting representatives shall make recommendations to the system, the governor, and the general assembly concerning the benefits and services provided to members and the system's benefits policies and benefits goals. All of the membership of the BAC, including nonvoting representatives, may have input into formulating such recommendations.

ITEM 9. Amend renumbered rule 495—3.5(97B) as follows:

**~~495—3.5(97B) Committee meetings~~ Meetings.** The BAC shall meet at least quarterly, or at the call of the chairperson, or upon the written request by the chief executive officer, ~~or designee, or upon written request of a majority of the BAC representatives.~~ The chairperson shall establish the dates of all regularly scheduled meetings and provide, with reasonable effort, at least one month's notice of those meeting dates, locations, and agenda. ~~Meetings, unless~~ Unless otherwise specified in the agenda, meetings will generally be held at IPERS' headquarters, 7401 Register Drive, Des Moines, Iowa.

**3.5(1) *Notice of meetings and Meeting agenda and minutes.***

~~a. *Form of notice.* Notice of meetings is given by the posting and distributing of the agenda. The agenda lists the time, date, place, and topics to be discussed at the meeting.~~

~~b. a. *Posting of Meeting agenda.* The agenda for each meeting will be posted at IPERS' headquarters at least 24 hours prior to the meeting unless, for good cause, notice is impossible or impractical, in which case as much notice as is reasonably possible will be given.~~

~~b. *Minutes.* Minutes shall be reviewed and approved by the BAC and maintained by IPERS.~~

~~c. *Distribution of agenda.* An agenda shall be provided to each BAC representative and to anyone who files a request with the chairperson. The request should state whether the agenda for a particular meeting is desired or whether the agendas for all meetings are desired.~~

~~d. *Amendments to agenda.* After an agenda has been posted and distributed, any amendments to the agenda will be posted, but not distributed. The amended agenda will be posted at least 24 hours prior to the meeting unless, for good cause, notice is impossible or impractical, in which case as much notice as is reasonably possible will be given.~~

~~e. *Supporting material.* Written materials provided to the BAC with the agenda may be examined and copied. Copies of the materials may be distributed at the discretion of the chairperson to persons requesting the materials. The chairperson may require a fee to cover the reasonable cost to the agency to provide the copies.~~

**3.5(2) *Recordings, transcripts and minutes of meetings.***

~~a. *Recordings.* The chairperson shall record by mechanized means each meeting and shall retain the recording for at least one year. Recordings of closed sessions shall be sealed and retained at least one year.~~

~~b. *Transcripts.* Transcripts of meetings will not routinely be prepared. The chairperson will have transcripts prepared upon receipt of a request for a transcript and payment of a fee to cover its cost.~~

~~c. *Minutes.* The chairperson shall record minutes of each meeting. Minutes shall be reviewed, approved, and maintained by the BAC. The chairperson shall sign the approved minutes.~~

**3.5(3) 3.5(2) *Attendance and participation by the public.***

~~a. *Attendance.* All meetings of the BAC are open to the public and shall be held in accordance with Robert's Rules of Order, Newly Revised Edition. The BAC may exclude the public from portions of the meeting in accordance with Iowa Code section 21.5 (closed session).~~

~~b. *Participation.*~~

~~(1) Items on agenda. Persons who wish to address the BAC on a matter on the agenda should notify IPERS or the chairperson in writing at least five days before 24 hours prior to the meeting. Presentations to the BAC may be made at the discretion of the chairperson.~~

~~(2) Items not on agenda. Iowa Code section 21.4 requires the BAC to give notice of its proposed agenda. Therefore, the BAC discourages persons from raising matters not on the agenda. Persons who wish to address the BAC on a matter not on the agenda should file a request with notify IPERS or the chairperson to place the matter on the agenda of a subsequent meeting in writing at least five days prior to the meeting.~~

~~c. *Coverage by press.* Cameras and recording devices may be used during meetings provided they do not interfere with the orderly conduct of the meeting. The chairperson may order that the use of these devices be discontinued if they cause interference and may exclude those persons who fail to comply with that order.~~

ITEM 10. Rescind and reserve rule **495—3.8(97B)**.

ITEM 11. Amend subrule 4.2(2), introductory paragraph, as follows:

**4.2(2) *Required information.*** Records shall show with respect to each employee:

ITEM 12. Amend subrule 4.2(3) as follows:

**4.2(3) *Reports.***

~~a. Each employer shall make reports as IPERS may require and shall comply with the instructions provided by IPERS for the reports.~~

b. Effective July 1, 1991, employers must report all terminating employees to IPERS within seven working days following the employee's termination date. This report shall contain the employee's last-known mailing address and such other information as IPERS might require.

c. ~~Effective December 31, 2004, and annually thereafter, employers whose job classes include correctional officers, correctional supervisors, and others whose primary purpose is, through ongoing direct inmate contact, to enforce and maintain discipline, safety and security within a correctional facility shall submit to IPERS each calendar year a list of jobs that qualify for protection occupation class coverage. This report shall also contain any changes in the designation of jobs as qualifying or not qualifying for protection occupation class coverage and effective dates of changes. IPERS' sole responsibility with respect to protection occupation status determinations is to ascertain whether IPERS' records correctly reflect service credit and contributions that are in accordance with the employer's designation of a position as being within a protection occupation class. The Iowa department of administrative services and the Iowa department of corrections shall notify IPERS prior to adding additional job classifications to the protection occupation class. The notification shall include the effective date, names and social security numbers of the employees involved.~~

ITEM 13. Amend subrule 4.3(2) as follows:

**4.3(2) Wage reports.** For wages paid on or after July 1, 2008, all ~~IPERS-covered~~ IPERS-covered employers are required to file wage reports on a monthly basis. IPERS will provide the forms and instructions for wage reporting to employers. Each wage report must include the required information for all employees who earned reportable wages or wage equivalents under IPERS. The reports must be received by IPERS on or before the fifteenth day of the month following the month in which the wages were paid. If the fifteenth day falls on a weekend or state-observed holiday, the wage report is due on the next regularly scheduled business day.

Effective August 1, 2008, IPERS shall accept wage reports electronically via ~~the IPERS' employer self-service Web~~ self-service Internet application, ~~on compact discs,~~ or as a paper report. However, for those employers submitting reports ~~on compact discs or on paper~~ other than via IPERS' employer self-service Internet application, IPERS shall charge a fee as described in subrule 4.3(6).

ITEM 14. Amend paragraph **4.3(3)"a"** as follows:

a. Contributions must be paid monthly and must be received by IPERS on or before the fifteenth day of the month following the month in which wages were paid. If the fifteenth day falls on a weekend or state-observed holiday, the contribution is due on the next regularly scheduled business day.

ITEM 15. Amend subrule 4.3(4) as follows:

**4.3(4) Request for time extension.** A request for an extension of time to file a wage report or pay a contribution may be granted by IPERS for good cause if a request is made before the due date, but no extension shall exceed 15 days beyond the due date. If an employer that has been granted an extension fails to submit the wage report or pay the contribution on or before the end of the extension period, the applicable interest and fees shall be charged and paid from the original due date as if no extension had been granted. If the fifteenth day falls on a weekend or state-observed holiday, the contribution or wage report is due on the next regularly scheduled business day.

To establish good cause for an extension of time to file a wage report or pay contributions, the employer must show that the delinquency was not due to mere negligence, carelessness or inattention. The employer must affirmatively show that it did not file the wage report or timely pay a contribution because of some occurrence beyond the control of the employer.

ITEM 16. Amend subrule 4.3(6) as follows:

**4.3(6) Fees for noncompliance.** IPERS is authorized to impose reasonable fees on employers that do not file wage reports through the IPERS' employer ~~self-service Web~~ self-service Internet application as described in subrule 4.3(2), that fail to timely file accurate wage reports, or that fail to pay contributions when due pursuant to subrule 4.3(3).

For submissions filed on or after August 1, 2008, IPERS shall charge employers a processing fee of \$20 plus 25 cents per employee for late submissions and manual processing of wage reports by



IPERS. Employers that are late or that do not use IPERS' employer self-service Web self-service Internet application may be charged both fees. In addition, if a fee for noncompliance is not paid by the fifteenth day of the month after the fee is assessed, the fee will accrue interest daily at the interest rate provided in Iowa Code section 97B.70. No fee will be charged on late contributions received as a result of a wage adjustment, but interest on the amount due will be charged until paid in full.

If the due date for a fee falls on a weekend or state-observed holiday, the due date shall be the next regularly scheduled business day.

ITEM 17. Amend paragraph **4.6(1)“b”** as follows:

b. Effective July 1, 2012, and every year thereafter, the contribution rates for regular members shall be publicly declared by IPERS staff no later than the preceding December as determined by the annual valuation of the preceding fiscal year. The public declaration of contribution rates will be followed by rule making that will include a notice and comment period and that will become effective July 1 of the next fiscal year. Contribution rates for regular members are as follows.

	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015	Effective July 1, 2016	Effective July 1, 2017
Combined rate	14.45%	14.88%	14.88%	14.88%	14.88%	14.88%
Employer	8.67%	8.93%	8.93%	8.93%	8.93%	8.93%
Employee	5.78%	5.95%	5.95%	5.95%	5.95%	5.95%

ITEM 18. Amend subrule 4.6(2) as follows:

**4.6(2)** Contribution rates for sheriffs and deputy sheriffs are as follows.

	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015	Effective July 1, 2016	Effective July 1, 2017
Combined rate	19.80%	19.76%	19.76%	19.76%	19.26%	18.76%
Employer	9.90%	9.88%	9.88%	9.88%	9.63%	9.38%
Employee	9.90%	9.88%	9.88%	9.88%	9.63%	9.38%

ITEM 19. Amend subrule 4.6(3) as follows:

**4.6(3)** Contribution rates for protection occupations are as follows.

	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015	Effective July 1, 2016	Effective July 1, 2017
Combined rate	17.11%	16.90%	16.90%	16.40%	16.40%	16.40%
Employer	10.27%	10.14%	10.14%	9.84%	9.84%	9.84%
Employee	6.84%	6.76%	6.76%	6.56%	6.56%	6.56%

ITEM 20. Adopt the following new paragraph **4.6(4)“p”**:

p. Effective July 1, 2016, a peace officer employed by an institution under the control of the state board of regents whose position requires law enforcement certification pursuant to Iowa Code section 262.13.

ITEM 21. Adopt the following new paragraph **4.6(4)“q”**:

q. Effective July 1, 2016, a person employed by the department of human services as a psychiatric security specialist at a civil commitment unit for sexually violent offenders facility.

ITEM 22. Amend rule 495—4.7(97B) as follows:

**495—4.7(97B) Employee information to be provided by covered employers.** Covered employers are required to enroll new employees prior to reporting wages for the new employees using IPERS' employer self-service Internet application. Enrollment information shall include, but is not limited to, the following: member's name, social security number, date of birth, date of hire, occupation code, gender, mailing address, ~~termination date and last check date, when appropriate,~~ and employer identification

number. When an employee terminates employment with a covered employer, the employer shall provide the termination date and the date of the employee's final paycheck.

~~For new employee enrollments submitted on or after August 1, 2008, employers shall submit the required information using IPERS' employer self service Web application, on compact discs, or on paper. However, those employers submitting information on compact discs or on paper will be charged a fee as described in subrule 4.3(6).~~

ITEM 23. Rescind and reserve rule **495—4.8(97B)**.

ITEM 24. Amend subrule 5.2(18) as follows:

**5.2(18)** ~~Persons who are enrolled as students and whose primary occupations are as students shall not be covered.~~ Full-time or part-time students employed part-time by the educational institution where they are enrolled shall not be covered IPERS-covered. ~~All other students beyond high school are not exempt from IPERS coverage.~~ Full-time and part-time student status is as defined by the individual educational institutions. Full-time and part-time employment status is as defined by the individual employers. If the employer is not the institution where the college student is enrolled, the college student is not exempt from IPERS coverage and employers would determine IPERS coverage by applying the usual permanent or temporary rules.

~~The paragraph above shall not be construed to require or permit IPERS coverage for high school students and students in the lower grades who are concurrently employed (including employment during breaks between quarters, semesters, or annual academic terms) by a covered employer. High school and lower grade students continue to be exempt from IPERS coverage.~~

ITEM 25. Amend subrule 6.3(6) as follows:

**6.3(6)** *Special lump sum payments.* Wages do not include special lump sum payments made during or at the end of service as a payoff of unused accrued sick leave or of unused accrued vacation. Wages do not include special lump sum payments made during or at the end of service as an incentive to retire early or as payments made upon dismissal, severance, or a special bonus payment intended as an early retirement incentive. Wages do not include: catastrophic leave paid in a lump sum, bonuses, tips, or honoraria, or student loan repayment compensation. Exclusion of payments as described in this subrule applies whether the payment is in a lump sum or in installments.

ITEM 26. Rescind and reserve subrule **6.3(11)**.

ITEM 27. Amend rule 495—6.4(97B), introductory paragraph, as follows:

**495—6.4(97B) Month for which wages are to be reported.** Wages are reportable for the month in which they are actually paid to the employee, except when employees are awarded lump sum payments of back wages, whether as a result of litigation or otherwise, receive lump sum payments of extra duty pay, ~~or request wage restorations following EMRH~~, and similar situations involving regular and periodic lump sum payments which IPERS in its sole discretion determines should be treated as covered wages. The employer shall file with IPERS wage adjustment reporting forms with IPERS adjustments allocating the wages to the periods of service for which such payments are awarded. Employers shall forward the required employer and employee contributions and interest to IPERS.

ITEM 28. Amend rule 495—10.1(97B) as follows:

**495—10.1(97B) Interest on accumulated contributions of active and inactive members.**

**10.1(1)** ~~The term "interest" as used in this rule means statutory interest plus, if applicable, the interest dividend~~ a per annum interest rate at one percent above the interest rate on one-year certificates of deposit which shall be credited to the member's contributions and the employer's contributions to become part of the accumulated contributions. For purposes of this rule, the interest rate on one-year certificates of deposit shall be determined by IPERS based on the average rate for such certificates of deposit as of the first business day of each year as published in a publication, including Internet-based publications, of general acceptance in the business community. The per annum interest rate shall be credited on a quarterly basis by applying one quarter of the annual interest rate to the sum of the accumulated

contributions as of the end of the previous calendar quarter. Interest shall be applied through the calendar quarter preceding the quarter in which any distribution is made.

a. For calendar years prior to January 1, 1997, statutory interest is a credit to the accumulated contributions of active members and inactive vested members at a rate of two percent per annum. The interest dividend is a credit to the accumulated contributions of active members and inactive vested members that equals the excess of the average rate of interest earned on the retirement fund through investment during a calendar year over the statutory interest as determined in Iowa Code section 97B.70(1)“a” plus twenty-five hundredths of one percent.

b. For calendar years beginning January 1, 1997, a per annum interest rate at one percent above the interest rate on one-year certificates of deposit shall be credited to the member’s contributions and the employer’s contributions to become part of the accumulated contributions. For purposes of this paragraph, the interest rate on one-year certificates of deposit shall be determined by IPERS based on the average rate for such certificates of deposit as of the first business day of each year as published in a publication, including Internet-based publications, of general acceptance in the business community. The per annum interest rate shall be credited on a quarterly basis by applying one quarter of the annual interest rate to the sum of the accumulated contributions as of the end of the previous calendar quarter.

**10.1(2)** For all periods, if a member is vested upon termination, interest will continue to accrue through the month (or quarter, as applicable under Iowa Code section 97B.70) preceding the month (or quarter, as applicable under Iowa Code section 97B.70) of payment of the refund benefit, or in the case of retirement benefits, through the month (or quarter, as applicable under Iowa Code section 97B.70) preceding the first month of entitlement. For periods ending prior to July 1, 1995, if a member is not vested upon termination, interest will cease to accrue on termination of covered employment for as long as the member remains inactive. For periods beginning July 1, 1995, interest will cease to accrue if a member is not vested upon termination of employment for as long as the member is inactive or nonvested. Effective July 1, 1995, interest will be credited to an inactive nonvested member’s account as provided in Iowa Code section 97B.70, beginning with the first month (or quarter, as applicable under Iowa Code section 97B.70) thereafter that such a member becomes a vested member as provided in Iowa Code section 97B.1A(25).

ITEM 29. Rescind and reserve rule **495—10.4(97B)**.

ITEM 30. Amend subrule 11.1(2), introductory paragraph, as follows:

**11.1(2) Proof required in connection with application.** Proof of date of birth to be submitted with an application for benefits shall be in the form of a birth certificate, a U.S. passport, an infant baptismal certificate, an identification card or driver’s license issued by the state of Iowa, a state identification card that is issued in compliance with the REAL ID Act of 2005, or a driver’s license that is issued in compliance with the REAL ID Act of 2005. If these records do not exist, the applicant shall submit two other documents or records which will verify the day, month and year of birth. A photographic identification record may be accepted even if now expired unless the passage of time has made it impossible to determine if the photographic identification record is that of the applicant. The following records or documents are among those deemed acceptable to IPERS as proof of date of birth:

ITEM 31. Amend subrule 11.7(8) as follows:

**11.7(8) Rights of appeal.** A recipient who is notified of an overpayment and required to make repayments under this rule may appeal IPERS’ determination in writing to the chief executive officer CEO or CEO’s designee. The written request must explain the basis of the appeal and must be received by IPERS’ office within 30 days of overpayment notice pursuant to 495—Chapter 26.

ITEM 32. Amend rule 495—12.6(97B) as follows:

**495—12.6(97B) Recalculation for a member aged 70.** A member remaining in covered employment after attaining the age of 70 years may receive a retirement allowance without terminating the covered employment. A member who is in covered employment, attains the age of 70 and begins receiving a retirement allowance must terminate all covered employment before the member’s retirement allowance can be recalculated to take into account service after the member’s original FME. The termination of

employment must be a true severance lasting at least 30 days. The formula to be used in recalculating such a member's retirement allowance depends on the date of the member's FME and the member's termination date, as follows:

If the member is receiving a retirement allowance with an FME prior to July 1, 2000, and terminates covered employment on or after January 1, 2000, the member's retirement formula for recalculation purposes shall be the formula in effect at the time of the member's termination from covered employment or, if later, the date the member applies for a recalculation.

In all other cases, the recalculation for a member aged 70 who retires while actively employed shall use the retirement formula in effect at the time of the member's FME.

Payments under this rule shall begin no earlier than the month following the month of termination, upon IPERS' receipt of a member's application for recalculation. It is the member's responsibility to apply for the recalculation by completing and submitting the form specified by IPERS.

A member receiving a recalculation under this rule after June 30, 2012, will have the member's average covered wage calculated as follows. IPERS will calculate the average high three covered wage as of June 30, 2012. IPERS will next calculate the average high five covered wage at the time of the member's termination from covered employment or, if later, the date the member applies for a recalculation. IPERS will determine the benefit amount based on the calculation that produces the greatest benefit to the member.

ITEM 33. Amend subrule 12.8(3) as follows:

**12.8(3)** A member who is reemployed in covered employment after retirement may, after again retiring from employment, request a recomputation of benefits. The member's retirement benefit shall be increased if possible by the addition of a second annuity, which is based on years of reemployment service, reemployment covered wages and the benefit formula in place at the time of the recomputation. A maximum of 30 years of service is creditable to an individual retired member. If a member's combined years of service exceed 30, a member's initial annuity may be reduced by a fraction of the years in excess of 30 divided by 30. The second retirement benefit will be treated as a separate annuity by IPERS.

Effective July 1, 1998, a member who is reemployed in covered employment after retirement may, after again terminating employment for at least one full calendar month, elect to receive a refund of the employee and employer contributions made during the period of reemployment in lieu of a second annuity. If a member requests a refund in lieu of a second annuity, the related service credit shall be forfeited.

Effective July 1, 2007, employer contributions described in 495—subrule 6.3(13) shall constitute "remuneration" for purposes of applying the reemployment earnings limit and determining reductions in the member's monthly benefits but shall not be considered covered wages for IPERS benefits calculations.

It is the member's responsibility to apply for the recomputation or lump sum by completing and submitting the form specified by IPERS.

ITEM 34. Amend subrule 12.8(5) as follows:

**12.8(5)** Mandatory distribution of active wages. If a retired reemployed member whose annual benefit would be increased by less than \$600 does not request a second annuity or a lump sum payment of reemployment accruals by the end of the fourth quarter after the last quarter in which the member had covered wages, IPERS shall proceed to pay the member the applicable lump sum amount. The member shall have 60 days after the postmark date of the mandatory payment to return the payment and ~~restore the member's account~~ request a benefit increase.

ITEM 35. Adopt the following **new** subrule 14.3(3):

**14.3(3)** *Spousal signature.* If the member designates someone other than a spouse as the sole primary beneficiary, the beneficiary designation form must contain a spousal signature, pursuant to Iowa Code 97B.44. If a member's spouse cannot be located, the spousal signature requirement may be waived upon receipt of the notarized form specified by IPERS.

ITEM 36. Amend rule 495—19.1(17A), introductory paragraph, as follows:

**495—19.1(17A) Petition for declaratory order.** Any person may file a petition with the agency for a declaratory order regarding the applicability to specified circumstances of a statute, rule, or order within the primary jurisdiction of the agency. Such petitions shall be addressed to the CEO or CEO's designee, IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117. A petition is deemed filed when it is received by the agency.

ITEM 37. Amend subrule 19.3(3), introductory paragraph, as follows:

**19.3(3)** A petition for intervention shall be filed with the CEO or CEO's designee at IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117. Such a petition is deemed filed when it is received by IPERS.

ITEM 38. Amend rule 495—19.5(17A) as follows:

**495—19.5(17A) Inquiries.** Inquiries concerning the status of a declaratory order proceeding may be made to the CEO, or CEO's designee, IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117.

ITEM 39. Amend subrule 19.6(2) as follows:

**19.6(2) When filing required.** Petitions for declaratory orders, petitions for intervention, briefs, or other papers in a proceeding for a declaratory order shall be filed with the CEO, or CEO's designee, IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117. All petitions, briefs, or other papers that are required to be served upon a party shall be filed simultaneously with the agency.

ITEM 40. Amend subrule 19.8(1) as follows:

**19.8(1)** Within 30 days after receipt of a petition for a declaratory order, the CEO or CEO's designee shall take action on the petition pursuant to Iowa Code section 17A.9(5).

ITEM 41. Amend paragraph **19.9(1)“k”** as follows:

k. The agency will not issue declaratory orders on the following:

- (1) The present value of IPERS retirement monthly benefits;
- (2) Actuarial assumptions used or proposed to be used by the agency;
- (3) The impact of proposed legislation;
- (4) Issues which require the disclosure of confidential information; and
- (5) ~~Items listed in rule 495—26.13(17A, 97B)~~ Any matter under appeal or in litigation.

ITEM 42. Amend subrule 20.1(1) as follows:

**20.1(1) Recognition of agents in general.** When a ~~claimant~~ member or beneficiary desires to be represented by an agent before the system, the ~~claimant~~ member or beneficiary shall designate in writing, using a power of attorney form or other acceptable legal form, the name of a representative and the nature of the business the representative is authorized to transact. Such designation on the part of the ~~claimant~~ member or beneficiary shall constitute for IPERS sufficient proof of the acceptability of the individual to serve as the ~~claimant's~~ member's or beneficiary's agent. ~~An attorney in good standing may be so designated by the claimant.~~

ITEM 43. Amend subrule 20.1(2) as follows:

**20.1(2) Payment to ~~incompetent~~ members or beneficiaries with a recognized agent.** When it appears that the interest of a ~~claimant or retired~~ member or beneficiary would be served, IPERS may recognize an agent to represent the ~~individual~~ member or beneficiary in the transaction of the affairs with IPERS. Recognition may be obtained through the filing with IPERS of a copy of the guardianship, trusteeship, power of attorney, conservatorship, other similar court order which appoints an agent to act upon behalf of a member or beneficiary, or social security representative payee documents by the individual so designated. Such persons have all the rights and obligations of the member or beneficiary. Notwithstanding the foregoing, none of the foregoing representatives shall have the right to name the representative as the member's or beneficiary's beneficiary unless approved to do so by a court having

jurisdiction of the matter, or unless expressly authorized to do so in a power of attorney executed by the member or beneficiary.

ITEM 44. Adopt the following **new** subrule 20.1(3):

**20.1(3) *Revocation of power of attorney.*** Any person serving as an agent by power of attorney under this rule can have the agency relationship rescinded by the member or beneficiary by notifying IPERS verbally or in writing.

ITEM 45. Adopt the following **new** subrule 20.1(4):

**20.1(4) *Revocation of other representative agents.*** Any person serving as a representative agent under a guardianship, conservatorship, or social security representative payee may not be revoked unless by court order or notice from the social security administration in writing.

ITEM 46. Amend rule 495—20.2(97B) as follows:

**495—20.2(97B) Agreements by agents.** An individual serving in the capacity of an agent establishes an agreement with IPERS to transact all business with IPERS in such a manner that the interests of the ~~retired member or claimant~~ beneficiary are best served. Payments made to the agent on behalf of the ~~individual member or beneficiary~~ will be used for the direct benefit of the ~~retired member or claimant~~ beneficiary. Failure to adhere to the agreement will cause discontinuance of the agency relationship and may serve as the basis for legal action by IPERS, ~~or the member, or the beneficiary.~~

ITEM 47. Amend rule 495—31.2(17A) as follows:

**495—31.2(17A, ExecOrd80) Advice on possible rules before notice of proposed rule adoption.**

**31.2(1)** IPERS shall designate the benefits advisory committee (BAC), and investment board as applicable, as the stakeholder rule-making group, pursuant to the rules for creation, public notice, procedures, public input, and results as outlined in Executive Order Number 80. The stakeholder group shall review and comment on any proposed rules changes before the rules are considered to be pending, as defined in subrule 31.3(2).

**31.2(2)** In addition to seeking information by other methods, the agency may, before publication of a Notice of Intended Action under Iowa Code section 17A.4(1)“a,” solicit comments from the public by any reasonable means on a subject matter of possible rule making by the agency. Notwithstanding the foregoing, except as otherwise provided by law, the agency may use its own experience, specialized knowledge, and judgment in the adoption of a rule.

ITEM 48. Rescind subrule **31.3(2)**.

ITEM 49. Renumber subrule **31.3(3)** as **31.3(2)**.

ITEM 50. Adopt the following **new** subrule 31.3(3):

**31.3(3) *Rule-making Internet site.*** The agency will maintain a page on its Internet site, and its rules filings will appear on the state of Iowa’s Iowa administrative rules Internet site, pursuant to the requirements of Iowa Code section 17A.6A.

ITEM 51. Amend subrule 31.4(1) as follows:

**31.4(1) *Contents.***

*a.* At least 35 days before the adoption of a rule, the agency shall cause Notice of Intended Action to be published in the Iowa Administrative Bulletin. The Notice of Intended Action shall include:

- ~~a.~~ (1) A brief explanation of the purpose of and the reason for the proposed rule;
- (2) A brief explanation of the principal reasons for the agency’s failure to provide for a waiver in a rule and the reasons for overruling considerations urged against the rule;
- ~~b.~~ (3) The specific legal authority for the proposed rule;
- ~~c.~~ (4) Except to the extent impracticable, the text of the proposed rule;
- ~~d.~~ (5) Where, when, and how persons may present their views on the proposed rule;
- ~~e.~~ (6) Where, when, and how persons may request an oral proceeding on the proposed rule if the notice does not already provide for one; and

~~f. (7)~~ A fiscal impact statement as described under 495—31.7(17A,25B).

Where inclusion of the complete text of a proposed rule in the Notice of Intended Action is impracticable, the agency shall include in the notice a statement fully describing the specific subject matter of the omitted portion of the text of the proposed rule, the specific issues to be addressed by that omitted text of the proposed rule, and the range of possible choices being considered by the agency for the resolution of each of those issues.

b. If requested by an interested person, the agency shall issue a concise statement of the principal reasons for and against the rule adopted, pursuant to Iowa Code section 17A.4(2).

ITEM 52. Amend subrule 31.4(3) as follows:

~~**31.4(3) Copies of notices.** Persons desiring to receive copies of future Notices of Intended Action by subscription must file with the agency a written request indicating the name and address to which such notices should be sent. Within seven days after submission of a Notice of Intended Action to the administrative rules coordinator for publication in the Iowa Administrative Bulletin, the agency shall mail or electronically transmit a copy of that notice to subscribers who have filed a written request for either mailing or electronic transmittal with the agency for Notices of Intended Action. The written request shall be accompanied by payment of the subscription price which may cover the full cost of the subscription service, including its administrative overhead and mailing the Notices of Intended Action for a period of one year. The agency shall submit a copy of the notice to the chairpersons and ranking members of the appropriate standing committees of the general assembly as required by Iowa Code section 17A.4(1)“a.”~~

ITEM 53. Amend paragraph **31.5(3)“b”** as follows:

~~b. *Scheduling and notice.* An oral proceeding on a Notice of Intended Action may be held in one or more locations at IPERS, 7401 Register Drive, Des Moines, Iowa, and shall not be held earlier than 20 days after notice of its location and time is published in the Iowa Administrative Bulletin. That notice shall also identify the applicable Notice of Intended Action by ARC number and citation to the Iowa Administrative Bulletin.~~

ITEM 54. Amend paragraph **31.5(3)“c”** as follows:

~~c. *Presiding officer.* The agency, through an employee of the agency, who is familiar with the substance of the rules proposed in the Notice of Intended Action, shall preside at the oral proceeding. The presiding officer shall prepare a memorandum for consideration by the agency summarizing the contents of the presentations made at the oral proceeding unless the agency determines that such a memorandum is unnecessary because the agency will personally listen to or read the entire transcript of record the oral proceeding and archive the recorded record at IPERS.~~

ITEM 55. Amend paragraph **31.5(3)“d,”** introductory paragraph, as follows:

~~d. *Conduct of proceeding.* At an oral proceeding on a Notice of Intended Action, persons may make oral statements and make documentary and physical submissions, which may include data, views, comments or arguments concerning the subject matter of the rules proposed in the Notice of Intended Action. Persons wishing to make oral presentations at such a proceeding are encouraged to notify the agency at least one business day prior to the proceeding and indicate the general subject of their presentations. At the proceeding, those who participate shall indicate their names and addresses, identify any persons or organizations they may represent, and provide any other information relating to their participation deemed appropriate by the presiding officer. Oral proceedings shall be open to the public and shall be recorded by stenographic or electronic means.~~

ITEM 56. Amend subrule 31.6(1) as follows:

~~**31.6(1) Definition of small business.** A “small business” is defined in Iowa Code section 17A.4A(7)-17A.4A(8)“a.”~~

ITEM 57. Amend subrule 31.6(8) as follows:

~~**31.6(8) Contents of concise summary.** The contents of the concise summary shall conform to the requirements of Iowa Code sections 17A.4A(4) 17A.4A(2), and 17A.4A(5) and 17A.4A(6).~~

ITEM 58. Amend rule 495—31.17(17A) as follows:

**495—31.17(17A) Review by agency of rules.**

**31.17(1)** *Periodic comprehensive reviews.* Beginning July 1, 2012, over each five-year period of time, the agency shall conduct an ongoing and comprehensive review of all of its rules, to identify and eliminate all rules of the agency that are outdated, redundant, or inconsistent or incompatible with the federal tax law requirements for a qualified plan, statute or its own rules or that of other agencies, pursuant to Iowa Code section 17A.7(2).

**31.17(2)** *Petition for adoption, amendment or repeal of rules.*

*a.* Any interested person may petition the agency requesting the adoption, amendment, or repeal of a rule. The agency shall prescribe by rule the form for petitions and the procedure for their submission, consideration, and disposition, pursuant to Iowa Code section 17A.7(1).

**31.17(1)** *b.* Any interested person, association, agency, or political subdivision may submit a written request to the administrative rules coordinator requesting the agency to conduct a formal review of a specified rule. Upon approval of that request by the administrative rules coordinator, the agency shall conduct a formal review of a specified rule to determine whether a new rule should be adopted or the rule should be amended or repealed. The agency may refuse to conduct a review if it has conducted such a review of the specified rule within five years prior to the filing of the written request.

**31.17(2)** **31.17(3)** *Report responsive to request for review.* In conducting the formal review, the agency shall prepare within a reasonable time a written report summarizing its findings, its supporting reasons, and any proposed course of action. The report must include a concise statement of the agency's findings regarding the rule's effectiveness in achieving its objectives, including a summary of any available supporting data. The report shall also concisely describe significant written criticisms of the rule received during the previous five years, including a summary of any petitions for waiver of the rule received by the agency or granted by the agency. The report shall describe alternative solutions to resolve the criticisms of the rule, the reasons any were rejected, and any changes made in the rule in response to the criticisms as well as the reasons for the changes. A copy of the agency's report shall be sent to the administrative rules review committee and the administrative rules coordinator. The report must also be available for public inspection.

ITEM 59. Amend **495—Chapter 31**, implementation sentence, as follows:

These rules are intended to implement Iowa Code chapter 17A and Executive Order Number 80 of 2012.

ITEM 60. Amend **495—Chapter 33**, implementation sentence, as follows:

These rules are intended to implement Executive Order Number 11 of 1999 and Iowa Code chapters 17A and 97B.